

Message Text

LIMITED OFFICIAL USE

PAGE 01 MOSCOW 10133 241509Z

43

ACTION EUR-25

INFO OCT-01 ADP-00 EB-11 COME-00 TRSE-00 CIAE-00 INR-10

NSAE-00 RSC-01 OMB-01 INT-08 FPC-01 L-03 PM-07 DODE-00

RSR-01 CIEP-02 SAJ-01 SS-15 NSC-10 /097 W

----- 044638

R 241424Z AUG 73

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC 1427

INFO AMEMBASSY OSLO

LIMITED OFFICIAL USE MOSCOW 10133

E.O. 11652: N/A

TAGS: ENRG UR US NO

SUBJ: NORTH STAR PROJECT

REF: A) MOSCOW 8545 B) OSLO 2771

1. DURING CONVERSATION AUGUST 24, TEXAS EASTERN VICE PRESIDENT W. T. KENDALL GAVE EMBOFF GOLLOWING ACCOUNT OF PROGRESS TOWARD FORMAL GENERAL AGREEMENT BETWEEN SOVIET GOVT AND NORTH STAR CONSORTIUM.

2. KENDALL OPENED BY NOTING THAT MUCH OF THE NECESSARY FEASIBILITY STUDY WORK HAS ALREADY BEEN COMPLETED. ELEVEN MONTHS AGO TEXAS EASTERN BROUGHT IN ABOUT 30 OF ITS PEOPLE TO INSPECT DRILLING SITES AND CARRY OUT SOME TESTS. THE COMPANY ALREADY POSSESSES WELL LOGS AND GAS ANALYSIS MATERIAL, AND PLANS TO EXAMINE THE GAS FIELD AND EXISTING LINES IN SEPTEMBER 1973.

3. HAVING SIGNED THE PROTOCOL OF INTENT IN JUNE, THE CON-SORTIUM EXPECTS TO SIGN THE GENERAL AGREEMENT WITH THE USSR NEXT MONTH AND TO COMPLETE NEGOTIATION AND SIGNATURE OF THE EIGHT-TEN ADDITIONAL CONTRACTS NECESSARY BY THE END OF THE YEAR. THE GENERAL AGREEMENT MAY BE COMPLETED AND

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MOSCOW 10133 241509Z

SIGNED IN THE COURSE OF ANTICIPATED VISIT TO U.S. BY

DELEGATION HEADED BY SOVIET DEPUTY FOREIGN TRADE MINISTER
OSIPOV BEGINNING SEPTEMBER 24.

4. IF CONTRACTS COMPLETED AS HOPED, BEGINNING OF
CONSTRUCTION KIS TARGETED FOR SPRING 1974, PROVIDING FIRST
NATIONAL CITY BANK AND BANK OF AMERICA COMPLETE FINANCING
ARRANGEMENTS BY THAT TIME. COMPLETION OF LINES TO
PECHNEGA (PETSAML), PROBABLE SITE FOR LIQUEFACTION PLANT,
FORESEEN FOR 1970. AS PROJECTED, CONSORTIUM'S SHARE OF
OUTPUT IS TWO BILLION CUBIC FEET PER DAY, HALF FOR TEXAS
EASTERN AND HALF FOR TENNECO.

5. KENDALL COMMENTED THAT CONSTRUCTION OF THE LIQUEFAC-
TION PLANT AND PORT ON NORWEGIAN TERRITORY HAS BECOME FAR
LESS ATTRACTIVE SINCE THE CONSORTIUM LEARNED THAT QUOTE
THE U.S. GOVERNMENT WOULD REGARD THE PROJECT AS A WHOLE
WHETHER OR NOT CERTAIN ELEMENTS WERE LOCATED OUTSIDE THE
USSR END QUOTE. HE NOTED THAT BOTH THE MINISTRY OF
FOREIGN TRADE (OSIPOV) AND SOYUZGAZEXPORT HAD ALWAYS BEEN
OPPOSED TO THE NORWEGIAN ETRMINLA PROJECT BUT THAT GOSPLAN
FLOATED THE IDEA IN THE HOPE IT WOULD FACILITATE FINANCING
FROM THE U.S. SIDE.
DUBS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NATURAL GAS, ECONOMIC AGREEMENTS, GAS PRODUCTION
Control Number: n/a
Copy: SINGLE
Draft Date: 24 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973MOSCOW10133
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730817/aaaaamhf.tel
Line Count: 84
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) MOSCOW 8545 B) OSLO 2771
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 19 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <19-Sep-2001 by martinml>; APPROVED <03-Dec-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: NORTH STAR PROJECT
TAGS: ENRG, UR, US, NO, NORTH STAR CONSORTIUM
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005